



UTILITIES DEPARTMENT  
DIVISION OF WATER & GAS  
CITY OF DANVILLE, VIRGINIA



**NATURAL GAS RATE SCHEDULES & RIDERS**

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Rate Schedules Revised: June 26, 2006  
Rates Established by City Ordinance No. 2005-05.01

Stated rates are effective for bills issued August 1, 2006 and after for monthly-billed accounts  
and for bills issued September 1, 2006 and after for bi-monthly-billed accounts.

### **Rate Making Authority**

Virginia Code Title 15.2, Chapter 21 authorizes local governments to operate public utilities.

The Danville City Council establishes utility rates, as authorized in City Code Chapter 2.

Code Chapter 2, Section 2-285 assigns to the Danville Utility Commission the responsibility for establishing such policies as non-consumption utility fees, utility extensions, service connection fees, and other general service policies not designated to the City Council, City Manager, or Assistant City Manager for Utilities. Policies and procedures pertaining to standards and services are maintained in separate documents.

City Code Chapter 38, Utility Services, governs provision of utility services by the Danville Utilities Department.

Utility rates and charges are subject to change. Current copies of Rate Schedules are maintained at the Danville Public Library, 511 Patton Street, Danville, Virginia, in the City Clerk's Office, 4<sup>th</sup> Floor, Danville Municipal Building, 427 Patton Street, and on the internet via <http://www.danvilleutilities.com>.

Services of the Danville Utilities Department shall be applied fairly and consistently without regard to the customer's race, color, creed, sex, national origin or marital status.

## **Definitions**

All terms used herein are considered to have common public utility application. They are neither unique to the City of Danville, nor are they meant to be subjected to precise scientific definition.

City – The City of Danville, Virginia.

City Gate – The facility at which the Utility receives delivery of natural gas from the Transcontinental Gas Pipeline.

Consumption – The amount of service used over a given period of time as measured by a meter.

Cubic Foot – The unit of natural gas volume measured by a Customer meter.

Customer – The individual, firm, or organization that purchases service at a specific location under a specific rate classification, contract, or Rate Schedule.

Customer Charge – The established fixed fee necessary to cover meter reading, billing, and other general service costs.

Customer Class – Specified category determined by the nature of the Customer's operations and type of service required.

Distribution Charge – The charge per therm of natural gas delivered by Utility to a Customer.

Firm – Gas distribution service that does not anticipate interruptions other than during emergencies.

Interruptible – Gas distribution service that anticipates and permits interruption on short notice.

Month - Not a calendar month, but instead the interval between successive regular meter reading dates. This can range from 26 to 35 calendar days for Customers billed on monthly cycles and 56 to 65 calendar days for those billed on a bi-monthly basis.

Therm – The unit of natural gas measurement used for billing purposes that takes into account not only volume, or cubic feet of gas consumed, but also the energy or heat content of the gas as determined by its chemical qualities.

Transco – Transcontinental Gas Pipeline, the natural gas pipeline that provides the City of Danville with gas transportation services. The Williams Company owns Transco.

Transportation – The act of moving gas from a designated receipt point to a designated delivery point.

Transportation Capacity – The amount of transportation rights a customer has on an interstate natural gas pipeline. May be Firm or Interruptible.

Transportation Gas – Natural gas that is purchased by Utility's Customer directly from a producer or marketer, to be distinguished from consumer gas which is purchased by Utility for ultimate sale to the consumer, and is carried by Utility from the City Gate, through the distribution grid to Customer's meter, for a fee.

Utility – Refers to the City of Danville Utilities Department, or any division thereof.

**Schedule 10**  
**Residential Gas Service**

**APPLICABILITY:** Available for individually metered dwelling units.

**MONTHLY RATE:** Customer Charge    \$10.50  
   Distribution Charge    \$0.20500 per therm

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PURCHASED GAS ADJUSTMENT:** The Distribution Charges specified in the Monthly Rate are subject to the Purchased Gas Adjustment (PGA) Rider, which is incorporated herein by reference.

**SPECIAL COST RECOVERY:** The Distribution Charges specified in the Monthly Rate are subject to the Special Cost Recovery Rider, which is incorporated herein by reference.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider, which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the Miscellaneous Services listing included in these Rate Schedules.

**BI-MONTHLY BILLING:** The Utility shall have the option of reading meters monthly or bi-monthly and rendering bills accordingly.

**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof are subject to a monthly therm factor adjustment as set forth in the Therm Factor Rider, which is incorporated herein by reference.

**TERM OF SERVICE:** Continuous until Customer notice.

**Schedule 20**  
**Firm Commercial Gas Service**

**APPLICABILITY:** Available for firm commercial service customers.

**MONTHLY RATE:** Customer Charge: \$21.00

Distribution Charge: First 5,000 therms \$0.20500 per therm  
Over 5,000 therms \$0.19500 per therm

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PURCHASED GAS ADJUSTMENT:** The Distribution Charges specified in the Monthly Rate are subject to the Purchased Gas Adjustment (PGA) Rider, which is incorporated herein by reference.

**SPECIAL COST RECOVERY:** The Distribution Charges specified in the Monthly Rate are subject to the Special Cost Recovery Rider, which is incorporated herein by reference.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider, which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the Miscellaneous Services listing included in these Rate Schedules.

**BI-MONTHLY BILLING:** The Utility shall have the option of reading meters monthly or bi-monthly and rendering bills accordingly.

**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof are subject to a monthly therm factor adjustment as set forth in the Therm Factor Rider, which is incorporated herein by reference.

**SPECIAL PROVISIONS:** Customers that switch from firm sales service to any other service are subject to a stranded cost adjustment to their bill. This charge will be based upon, but not limited to, their usage characteristics, related supply requirements, related pipeline demand/reservation charges, stranded distribution investment and other related stranded costs created by the switching of service.

**TERM OF SERVICE:** Customers must remain on this Rate Schedule for a period of no less than 12 months before switching service unless it is determined by the City that Customer no longer qualifies for this service.

**Schedule 22**  
**Commercial Transportation Gas Service**

**APPLICABILITY:** Available for commercial service customers with an average monthly load of 5,000 therms or more, that meet the criteria outlined under the Special Provisions contained herein, and to the extent that Utility has adequate facilities available for transporting and delivery of such volumes of gas required by Customer. This Schedule shall be considered as “experimental” during the first 12 months from its effective date.

**MONTHLY RATE:** Customer Charge: \$35.00

Distribution Charge: First 500 Therms \$0.23000 per therm  
Over 500 Therms \$0.20000 per therm

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**SPECIAL COST RECOVERY:** The Distribution Charges specified in the Monthly Rate are subject to the Special Cost Recovery Rider, which is incorporated herein by reference.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider, which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the Miscellaneous Services listing included in these Rate Schedules.

**CHARACTER OF SERVICE:** Service under this Rate Schedule allows Customer to have delivered to Utility, on an aggregated basis, natural gas supplies and Transportation Capacity sufficient to satisfy Customer requirements at one or more locations on the distribution system. Delivery to Customer of natural gas by Utility shall be on a firm basis only to the extent of firm Transportation Capacity obtained directly by Customer and delivered to Utility's City Gate on a daily basis. The Utility reserves the



right to interrupt or discontinue quantity of service required by the Customer that exceeds Customer's firm Transportation Capacity at any time whatsoever and to the extent necessary such interruption, in the sole judgment of Utility, may be required. The Utility will take reasonable efforts to provide adequate notice so as to minimize disruption of Customer's operations. However, in any event, such notice shall not be less than one hour.

**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof are subject to a monthly therm factor adjustment as set forth in the Therm Factor Rider, which is incorporated herein by reference.

**SPECIAL PROVISIONS:** Gas transported on this Schedule shall be separately metered and shall not be used interchangeably with firm gas purchased on any other Rate Schedule.

The Customer and Utility will operate within the guidelines required by Transco, Utility's natural gas transporter.

The Customer shall make all necessary arrangements and contact affected parties for securing delivery of Customer-owned gas to the City Gate.

The Customer shall provide Utility information that includes, but is not limited to, all the nominations and confirmations for service under this Rate Schedule. The Utility shall inform Customer of any restrictions on the volume requested for delivery.

The Customer shall have an aggregated load of not less than 5,000 therms per month on a 12-month rolling average, and such load shall not fall below 5,000 therms for three consecutive months.

On occasion, Utility may need to interrupt service to avoid penalty or other charges from its supplier. Prior to such interruptions, the Customer will be given the option of agreeing to reimburse Utility for actual expenses levied to avoid disruption of service. In the event Customer elects curtailment, but fails to discontinue use of gas one hour after notice from Utility, all gas so used shall be considered as unauthorized and Customer will be charged all resulting costs incurred by Utility as calculated at the sole discretion of Utility, in addition to the charges set forth in the Monthly Rate.

When Customer can no longer meet the requirements of the provisions described above, Customer will be considered as no longer qualified for this service and shall be placed on an appropriate Rate Schedule.

The Utility shall bill Customer for only the non-gas portion of the bill. Customer's gas supply provider shall render a bill directly to Customer for gas supply.

**BALANCING OF TRANSPORTATION VOLUMES:** It shall be Customer's responsibility to keep its supply and requirements in balance.

The Customer's Imbalance shall be equal to the difference between the volume of gas actually received at Utility's City Gate on behalf of Customer (Receipts) and Customer's actual usage as determined from meter readings at Customer's meter (Deliveries). Imbalances are based on Receipts and Deliveries during a calendar month.

An Imbalance shall be deemed an Underdelivery whenever Receipts are less than Deliveries. When an Underdelivery occurs, additional gas used by Customer will be provided by Utility if available supply and Transportation Capacity permit. Underdeliveries shall be billed to Customer at the highest Gas Daily price for the month or Utility's highest cost of gas, whichever is higher, during the month in which the imbalance is resolved.

An Imbalance shall be deemed an Overdelivery whenever Receipts are greater than Deliveries. Overdeliveries will be purchased by Utility at the lowest Gas Daily price for the month or Utility's lowest cost of gas, whichever is lower, during the month in which the imbalance is resolved.

Imbalances may be resolved annually, quarterly, or as often as monthly, if at the sole discretion of Utility it is deemed necessary.

Any associated expenses incurred by Utility due to Customer's Underdeliveries or Overdeliveries, shall be billed on a pro rata basis to Customer. Charges for Underdeliveries or Overdeliveries are in addition to the charges set forth in the Monthly Rate.

For billing purposes, Utility will adjust the volume of gas transported from the City Gate to Customer's meter to offset gas that is lost or unaccounted for on Utility's distribution system. The unaccounted for percentage is based on Utility's system wide average for the twelve (12) months ending December 31 of each year and placed in effect as soon as practicable following the determination of the percentage.

**TERM OF SERVICE:** Not less than one year, except if mutually agreed upon between Customer and Utility.

**Schedule 25**  
**Interruptible Commercial Gas Service**

**APPLICABILITY:** Available for commercial service customers with an average monthly load of 15,000 therms or more that meet the criteria outlined under the Special Provisions contained herein, and where Utility has gas delivery capacity in excess of the requirements of customers taking service under a firm Rate Schedule.

**MONTHLY RATE:** Customer Charge: \$350.00

Distribution Charge April - October:	First 15,000 therms	\$0.13025 per therm
	All over 15,000 therms	\$0.08350 per therm

Distribution Charge November - March:	First 15,000 therms	\$0.13525 per therm
	All over 15,000 therms	\$0.08850 per therm

Competitive Fuel Rate:	Rate comparable to as-fired cost of the alternate fuel that would have been used by the Customer in lieu of natural gas.
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Whenever Customer's monthly as-fired cost of the alternate fuel to replace natural gas would be less than the cost of natural gas provided by Utility, Customer will so advise Utility in writing, with supporting documentation, by the twenty-fifth (25th) of the month. Before the last business day of the month after receiving such notice, Utility will notify Customer whether it will:

- a. Lower the price of natural gas to be competitive with the as-fired cost of the alternate fuel and deliver gas, or
- b. Suspend service on a day-to-day basis for the next billing period.

In the event Utility elects to lower the cost to be competitive with the alternate fuel, Customer may not discontinue the purchase of natural gas hereunder for the affected billing period.

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PURCHASED GAS ADJUSTMENT:** The Distribution Charges specified in the Monthly Rate are subject to the Purchased Gas Adjustment (PGA) Rider, which is incorporated herein by reference.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider, which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the Miscellaneous Services listing included in these Rate Schedules.

**CHARACTER OF SERVICE:** Provision of natural gas subject to curtailment or discontinuance is at the sole discretion of Utility. The Utility will take reasonable efforts to provide adequate notice so as to minimize disruption of Customer's operations. However, in any event, such notice shall not be less than one hour.

**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof are subject to a monthly therm factor adjustment as set forth in the Therm Factor Rider, which is incorporated herein by reference.

**SPECIAL PROVISIONS:** Gas purchased on this Schedule shall be separately metered and shall not be used interchangeably with firm gas purchased on any other Schedule.

Customers receiving service under this Schedule shall have adequate standby fuel and equipment available for use as needed. Alternative fuel equipment shall be fully operational at all times. The Customer shall be able to shift from natural gas to alternative fuel without significant negative impact on its operations or workforce.

Customers that switch from firm sales service to any other service are subject to a stranded cost adjustment to their bill. This charge will be based upon, but not limited to, their usage characteristics, related supply requirements, related pipeline demand/reservation charges, stranded distribution investment and other related stranded costs created by the switching of service.

The Customer shall have a load of not less than 15,000 therms per month on a 12-month rolling average, and such load shall not fall below 15,000 therms for three consecutive months.

In the event customer fails to discontinue use of gas after notice from Utility, all gas so used shall be considered as unauthorized, and Customer will be charged all resulting costs incurred by Utility as calculated at the sole discretion of Utility in addition to the charges set forth in the Monthly Rate.

When Customer can no longer meet the requirements of the provisions described above, Customer will be considered as no longer qualified for this service and shall be placed on an appropriate Rate Schedule.

**TERM OF SERVICE:** Not less than one year, except if mutually agreed upon between Customer and Utility.

**Schedule 30**  
**Firm Industrial Gas Service**

**APPLICABILITY:** Available for firm industrial service customers

**MONTHLY RATE:** Customer Charge: \$100.00

Distribution Charge: First 5,000 therms	\$0.20500 per therm
Next 95,000 therms	\$0.19500 per therm
All over 100,000 therms	\$0.13000 per therm

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PURCHASED GAS ADJUSTMENT:** The Distribution Charges specified in the Monthly Rate are subject to the Purchased Gas Adjustment (PGA) Rider, which is incorporated herein by reference.

**SPECIAL COST RECOVERY:** The Distribution Charges specified in the Monthly Rate are subject to the Special Cost Recovery Rider, which is incorporated herein by reference.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider, which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the Miscellaneous Services listing included in these Rate Schedules.

**BI-MONTHLY BILLING:** The Utility shall have the option of reading meters monthly or bi-monthly and rendering bills accordingly.

**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof are subject to a monthly therm factor adjustment as set forth in the Therm Factor Rider, which is incorporated herein by reference.

**SPECIAL PROVISIONS:** Customers that switch from firm sales service to any other service are subject to a stranded cost adjustment to their bill. This charge will be based upon, but not limited to, their usage characteristics, related supply requirements, related pipeline demand/reservation charges, stranded distribution investment and other related stranded costs created by the switching of service.

**TERM OF SERVICE:** Customers must remain on this Rate Schedule for a period of no less than 12 months before switching service unless it is determined by the City that Customer no longer qualifies for this service.

**Schedule 40**  
**Interruptible Industrial Gas Service**

**APPLICABILITY:** Available for industrial service customers that meet the criteria outlined under the Special Provisions contained herein, where Utility has gas delivery capacity in excess of the requirements of customers taking service under a firm Rate Schedule.

**MONTHLY RATE:** Customer Charge: \$350.00

Distribution Charge: \$0.09000 per therm

Competitive Fuel Rate: Rate comparable to as-fired cost of the alternate fuel that would have been used by Customer in lieu of natural gas.

Whenever Customer's monthly as-fired cost of the alternate fuel to replace natural gas would be less than the cost of natural gas provided by Utility, Customer will so advise Utility in writing with supporting documentation by the twenty-fifth (25th) of the month. Before the last business day of the month after receiving such notice, Utility will notify Customer whether it will:

- a. Lower the price of natural gas to be competitive with the as-fired cost of the alternate fuel and deliver gas, or
- b. Suspend service on a day-to-day basis for the next billing period.

In the event Utility elects to lower the cost to be competitive with the alternate fuel, Customer may not discontinue the purchase of natural gas hereunder for the affected billing period.

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PURCHASED GAS ADJUSTMENT:** The Distribution Charges specified in the Monthly Rate are subject to the Purchased Gas Adjustment (PGA) Rider, which is incorporated herein by reference.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider, which is incorporated herein by reference.



**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the Miscellaneous Services listing included in these Rate Schedules.

**CHARACTER OF SERVICE:** Provision of natural gas subject to curtailment or discontinuance at the sole discretion of Utility. The Utility will take reasonable efforts to provide adequate notice so as to minimize disruption of Customer's operations. However, in any event, such notice shall not be less than one hour.

**SPECIAL PROVISIONS:** Gas purchased on this Schedule shall be separately metered and shall not be used interchangeably with firm gas purchased on any other Schedule.

Customers receiving service under this Schedule shall have adequate standby fuel and equipment available for use as needed. Alternative fuel equipment shall be fully operational at all times. The Customer shall be able to shift from natural gas to alternative fuel without significant negative impact on its operations or workforce.

In the event Customer fails to discontinue use of gas after notice from Utility, all gas so used shall be considered as unauthorized and Customer will be charged all resulting costs incurred by Utility as calculated at the sole discretion of Utility, in addition to the charges set forth in the Monthly Rate.

When Customer can no longer meet the requirements of the provisions described above, Customer will be considered as no longer qualified for this service and shall be placed on an appropriate Rate Schedule.

**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof are subject to a monthly therm factor adjustment as set forth in the Therm Factor Rider, which is incorporated herein by reference.

**TERM OF SERVICE:** Not less than one year, except if mutually agreed upon between Customer and Utility.

**Schedule 45**  
**Interruptible Industrial Gas Service – Hedging Option**

**APPLICABILITY:** Available for industrial service customers with an average monthly load of 50,000 therms or more, that meet the criteria outlined under the Special Provisions contained herein, and where Utility has gas delivery capacity in excess of the requirements of customers taking service under a firm Rate Schedule. Customers using this option may specify the point at which Utility may purchase gas on their behalf.

**MONTHLY RATE:** Customer Charge: \$450.00  
Distribution Charge: \$0.09000 per therm, plus the agreed-upon price as outlined in Special Provisions

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PURCHASED GAS ADJUSTMENT:** The Distribution Charges specified in the Monthly Rate are subject to the Purchased Gas Adjustment (PGA) Rider, which is incorporated herein by reference.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider, which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the Miscellaneous Services listing included in these Rate Schedules.

**CHARACTER OF SERVICE:** Provision of natural gas subject to curtailment or discontinuance is at the sole discretion of Utility. The Utility will take reasonable efforts to provide adequate notice so as to minimize disruption of Customer's operations. However, in any event, such notice shall not be less than one hour.

**SPECIAL PROVISIONS:** Gas purchased on this Schedule shall be separately metered and shall not be used interchangeably with firm gas purchased on any other Schedule.

Customers receiving service under this Schedule shall have adequate standby fuel and equipment available for use as needed. Alternative fuel equipment shall be fully operational at all times. The Customer shall be able to shift from natural gas to alternative fuel without significant negative impact on its operations or workforce.

In the event Customer fails to discontinue use of gas after notice from Utility, all gas so used shall be considered as unauthorized and Customer will be charged all resulting costs incurred by Utility as calculated at the sole discretion of Utility, in addition to the charges set forth in the Monthly Rate.

Customer may opt to advise Utility a locked-in price they wish to have gas supply purchased on their behalf and specify a volume and time at which Utility will reserve the supply for their needs. Customer will notify Utility in writing, and Utility will arrange to receive gas supply so specified at Utility's City Gate, and deliver to Customer's meter at an agreed upon price for the applicable delivery period. The price shall be the gas supply price, including Transco Station 65 basis, as confirmed by Utility to Customer. Utility agrees to deliver and Customer agrees to take and pay for specified volumes of gas at the agreed-upon price during the applicable delivery period.

When Customer can no longer meet the requirements of the provisions described above, Customer will be considered as no longer qualified for this service and shall be placed on an appropriate Rate Schedule.

**LOAD BALANCING:** It shall be Customer's responsibility to keep its supply and requirements in balance.

The Customer's imbalance shall be equal to the difference between the volume of gas actually received at Utility's City Gate on behalf of Customer (Receipts) and Customer's actual usage as determined from meter readings at Customer's meter (Deliveries). Imbalances are based on Receipts and Deliveries during a calendar month.

An Imbalance shall be deemed an Underdelivery whenever Monthly Receipts are less than Monthly Deliveries. When an Underdelivery occurs, additional gas used by Customer will be provided by Utility if available supply and capacity permits. Any additional gas provided as a result of Underdelivery shall be billed to Customer at the Schedule 40 Interruptible Industrial Gas Service Rate applicable to the month of delivery.

An Imbalance shall be deemed an Overdelivery whenever Monthly Receipts are greater than Monthly Deliveries. When an Overdelivery occurs due to Utility's curtailment of Customer, such Overdeliveries will be carried into the following month and treated as first through the meter. All other Overdeliveries for the month of delivery will be billed to the Customer at the charges set forth in the Monthly Rate.

Any associated expenses incurred by the Utility due to Customer's Underdeliveries or Overdeliveries, shall be billed on a pro rata basis to Customer. These expenses are in addition to the charges set forth in the Monthly Rate.

**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof are subject to a monthly therm factor adjustment as set forth in the Therm Factor Rider, which is incorporated herein for reference.

**TERM OF SERVICE:** Not less than one year, except if mutually agreed upon between Customer and Utility.

**Schedule 50**  
**Firm Industrial Transportation Gas Service**

**APPLICABILITY:** Available for industrial service customers that meet the criteria outlined under the Special Provisions contained herein, and to the extent that Utility has adequate facilities available for transporting and delivery of such volumes of gas required by Customer.

**MONTHLY RATE:** Customer Charge: \$350.00  
Distribution Charge: \$0.06000 per therm

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider, which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the Miscellaneous Services listing included in these Rate Schedules.

**CHARACTER OF SERVICE:** Delivery of natural gas by Utility under this Rate Schedule shall be on a firm basis only to the extent of firm Transportation Capacity obtained directly by Customer and delivered to Utility's City Gate on a daily basis. The Utility reserves the right to interrupt or discontinue quantity of service required by Customer that exceeds Customer's firm Transportation Capacity at any time whatsoever and to the extent necessary such interruption, in the sole judgment of Utility, may be required. The Utility will take reasonable efforts to provide adequate notice so as to minimize disruption of Customer's operations. However, in any event, such notice shall not be less than one hour.

**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof are subject to a monthly therm factor adjustment as set forth in the Therm Factor Rider, which is incorporated herein by reference.

**SPECIAL PROVISIONS:** Gas transported on this Schedule shall be separately metered and shall not be used interchangeably with firm gas purchased on any other Rate Schedule.

The Customer and Utility will operate within the guidelines required by Transco, the Utility's natural gas transporter.

The Customer shall make all necessary arrangements and contact affected parties for securing delivery of Customer-owned gas to the City Gate.

The Customer shall provide Utility information that includes, but is not limited to, all the nominations and confirmations for service under this Rate Schedule. The Utility shall inform Customer of any restrictions on the volume requested for delivery.

On occasion, Utility may need to interrupt service under this Rate Schedule to avoid penalty or other charges from its supplier. Prior to such interruptions, Customer will be given the option of agreeing to reimburse Utility for actual expenses levied to avoid disruption of service. In the event Customer elects curtailment, but fails to discontinue use of gas one hour after notice from Utility, all gas so used shall be considered as unauthorized and Customer will be charged all resulting costs incurred by Utility as calculated at the sole discretion of Utility, in addition to the charges set forth in the Monthly Rate.

**BALANCING OF TRANSPORTATION VOLUMES:** Daily balancing is mandatory for all customers under this Rate Schedule. It shall be Customer's responsibility to keep its supply and requirements in balance.

The Customer's Imbalance shall be equal to the difference between the volume of gas actually received at Utility's City Gate on behalf of Customer (Receipts) and Customer's actual usage as determined from meter readings at Customer's meter (Deliveries). Imbalances are based on Receipts and Deliveries during a calendar month.

A Daily Underdelivery shall be deemed to occur whenever Daily Receipts are less than Daily Deliveries. A Monthly Underdelivery shall be deemed to occur whenever Monthly Receipts (the total of Daily Receipts for the calendar month) are less than Monthly Deliveries (the total of Daily Deliveries for the calendar month). When an Underdelivery occurs, additional gas used by Customer will be provided by Utility if available supply and Transportation Capacity permit. Daily Underdeliveries exceeding 10% of Daily Receipts and all Monthly Underdeliveries shall be billed to Customer at the highest Gas Daily price for the month of delivery or Utility's highest cost of gas, whichever is higher.

A Daily Overdelivery shall be deemed to occur whenever Daily Receipts are greater than Daily Deliveries. A Monthly Overdelivery shall be deemed to occur whenever Monthly Receipts are greater than Monthly Deliveries. When a Daily Overdelivery occurs, gas may be held in Utility's system if volume parameters permit. Daily Overdeliveries exceeding 10% of Daily Receipts and all Monthly Overdeliveries will be purchased by the Utility at the lowest Gas Daily price for the month of delivery or Utility's lowest cost of gas, whichever is lower.

Any associated expenses incurred by Utility due to Customer's Underdeliveries or Overdeliveries, shall be billed on a pro rata basis to Customer. Charges for Underdeliveries or Overdeliveries are in addition to the charges set forth in the Monthly Rate.

In allowance for losses on Utility's distribution system, the amount of gas billed for transportation from the City Gate to the Customer's meter shall be the volume measured at the Customer's meter plus one percent (1.0%).

**TERM OF SERVICE:** Not less than one year, except if mutually agreed upon between Customer and Utility.

**Schedule 55**  
**Interruptible Industrial Transportation Gas Service**

**APPLICABILITY:** Available for industrial service customers receiving service under this Rate Schedule as of August 1, 2006, that meet the criteria outlined under the Special Provisions contained herein, and to the extent that Utility has adequate facilities available in excess of the requirements of customers taking service under a firm rate schedule for transporting and delivery of such volumes of gas required by Customer.

Any Customer not receiving service under this Rate Schedule as of August 1, 2006, will not receive service thereafter. Any Customer served under this Rate Schedule as of August 1, 2006, shall not be permitted to return to this Rate Schedule after service is terminated or obtained under another Rate Schedule.

**MONTHLY RATE:** Customer Charge: \$350.00

Distribution Charge: First 150,000 therms      \$0.06500 per therm  
All Over 150,000 therms      \$0.06250 per therm

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PURCHASED GAS ADJUSTMENT:** The Distribution Charges specified in the Monthly Rate are subject to the Purchased Gas Adjustment (PGA) Rider, which is incorporated herein by reference.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider, which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the Miscellaneous Services listing included in these Rate Schedules.



**CHARACTER OF SERVICE:** Natural gas transported to Customer is subject to curtailment or discontinuance at the sole discretion of Utility. The Utility will take reasonable efforts to provide adequate notice so as to minimize disruption of Customer's operations. However, in any event, such notice shall not be less than one hour.

**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof are subject to a monthly therm factor adjustment as set forth in the Therm Factor Rider, which is incorporated herein by reference.

**SPECIAL PROVISIONS:** Gas transported on this Schedule shall be separately metered and shall not be used interchangeably with firm gas purchased on any other Schedule.

The Customer and Utility will operate within the guidelines required by Transco, Utility's natural gas transporter.

The Customer shall make all necessary arrangements and contact affected parties for securing delivery of Customer-owned gas to the City Gate.

The Customer shall provide Utility information that includes, but is not limited to, all the nominations and confirmations for service under this Rate Schedule. The Utility shall inform Customer of any restrictions on the volume requested for delivery.

Customers receiving service under this Schedule shall have adequate standby fuel and equipment available for use as needed. Alternative fuel equipment shall be fully operational at all times. The Customer shall be able to shift from natural gas to alternative fuel without significant negative impact on its operations or workforce.

In the event Customer fails to discontinue use of gas after notice from Utility, all gas so used shall be considered as unauthorized and Customer will be charged all resulting costs incurred by Utility as calculated at the sole discretion of Utility in addition to the charges set forth in the Monthly Rate.

When Customer can no longer meet the requirements of the provisions described above, Customer will be considered as no longer qualified for this service and shall be placed on an appropriate Rate Schedule.

**BALANCING OF TRANSPORTATION VOLUMES:** It shall be Customer's responsibility to keep its supply and requirements in balance.

The Customer's Imbalance shall be equal to the difference between the volume of gas actually received at Utility's City Gate on behalf of Customer (Receipts) and Customer's

actual usage as determined from meter readings at Customer's meter (Deliveries). Imbalances are based on Receipts and Deliveries during a calendar month.

An Imbalance shall be deemed an Underdelivery whenever Monthly Receipts are less than Monthly Deliveries. When an Underdelivery occurs, additional gas used by Customer will be provided by Utility if available supply and Transportation Capacity permit. Monthly Underdeliveries shall be billed to Customer at the highest Gas Daily price for the month of delivery or Utility's highest cost of gas, whichever is higher.

An Imbalance shall be deemed an Overdelivery whenever Monthly Receipts are greater than Monthly Deliveries. When an Overdelivery occurs, gas may be held in Utility's system if volume parameters permit. Monthly Overdeliveries will be purchased by Utility at the lowest Gas Daily price for the month of delivery or Utility's lowest cost of gas, whichever is lower.

Any associated expenses incurred by Utility due to Customer's Underdeliveries or Overdeliveries, shall be billed on a pro rata basis to Customer. Charges for Underdeliveries or Overdeliveries are in addition to charges set forth in the Monthly Rate.

In allowance for losses on Utility's distribution system, the amount of gas billed for transportation from the City Gate to Customer's meter shall be the volume measured at Customer's meter plus one percent (1.0%).

**TERM OF SERVICE:** Not less than one year, except if mutually agreed upon between Customer and Utility.

### **Miscellaneous Services**

Danville Utilities provides a variety of services at the Customer's request. Services are charged on the basis of the following fees:

<u>Miscellaneous Services</u>	<u>Fees</u>
Bad Check Charge	\$ 30.00
Service Initiation Fee	\$ 30.00
Bill Analysis Service Charge	\$ 6.00
Delinquent Processing Fee	\$ 36.00
Late Payment Charge	1.5%
Security Deposit	2 x Average Month's Bill

### **Gas Services**

Turn On Gas - After Hours	\$ 53.00
Turn On Gas	\$ 30.00
Gas Service Call - After Hours	\$ 53.00
Turn On Gas Service - Non-Pay	\$ 30.00
Customer Has 3/4 Flex & Cut Off	\$ 39.00
Customer Has 3/8 Flex & Cut Off	\$ 39.00
Connect Range	\$ 39.00
Thermocouple Installation	\$ 47.00
Thermocouple Installation - After Hours	\$ 62.00
Install 3/4 Inch Flexible Connection	\$ 54.00
Install 3/8 Inch Flexible Connection	\$ 39.00
Light Pilot	\$ 30.00
Light Pilot - After Hours	\$ 53.00
Service Gas Lights	\$ 39.00
Turn On Gas Meter Seasonal - Residential	\$ 39.00
Turn On Gas Meter Seasonal – After Hours	\$ 53.00

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider, which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** Unless bill is paid within 10 days from due date, or on or before expiration date as shown on bill, 1.5% will be added to the amount of the bill.

### **Purchased Gas Adjustment (PGA) Rider**

**APPLICABILITY:** To all customers billed on any Rate Schedule in which reference to the Purchased Gas Adjustment (PGA) Rider is made.

**PURCHASED GAS ADJUSTMENT:** The PGA Rider shall be applied per term as follows:

For Firm Supply Service:  $PGA^F = (SC + CF) / (1 - L) + T$   
(Schedules 10, 20, and 30)

For Interruptible Supply Service:  $PGA^I = (SC + CI) / (1 - L)$   
(Schedules 25, 40 and 45)

For Transportation Service:  $PGA^T = CT$   
(Schedule 55)

Where:

SC = Supply Cost

$SC = R + F + V$

R = Rate (first-of-the-month Index and/or daily market prices)

F = Fuel Charges

V = Volumetric Transportation Charges

CF = Firm Capacity Cost

CI = Interruptible Capacity Cost

CT = Interruptible Transportation Capacity Cost

L = Loss Factor

$L = (P - S) / P$

P = Purchases of Gas

S = Sales of Gas

T = True-Up Factor

Supply Cost --  $SC = R + F + V$ : The Supply Cost component shall be applicable to all firm and interruptible customers and subject to adjustment by the Loss Factor described below. The Supply Cost of natural gas shall be priced at first-of-the-month Index and/or spot market Rates, plus Fuel Charges and Volumetric Transportation Charges, as specified in Utility's gas supply management contract.

Rate -- R: The cost per therm of natural gas purchased by Utility. The Rate is set in accordance with established Utility procedures.

Fuel Charges -- F: Losses of natural gas experienced by Utility's supplier from the wellhead to the City Gate that are charged by Transco to Utility.

Volumetric Transportation Charges -- V: Per unit fees charged by Transco to Utility for transportation of purchased natural gas from the pipeline receipt point to the City Gate.

Interruptible Capacity Cost -- CI: Certain costs incurred by Utility for purchased gas are related to interruptible service. Such costs shall be expressed as a cost per unit of gas received.

Interruptible Transportation Capacity Cost -- CT: Certain costs incurred by Utility are related to interruptible transportation service for Customers that acquire their own gas supplies. Such costs shall be expressed as a cost per unit of delivered gas and shall be subject to adjustment for losses as set forth in the appropriate Rate Schedule.

Firm Capacity Cost -- CF: All costs of natural gas incurred by Utility but not included in the Supply Cost, Interruptible Capacity Cost, or the Interruptible Transportation Capacity Cost components shall be included in the Firm Capacity Cost component to firm customers. Firm Capacity Cost shall be calculated as a cost per unit of gas delivered to the City Gate.

Loss Factor --  $L=(P-S)/P$ : Losses relate to the difference between gas purchased from suppliers by Utility or independently by the Customers and received at the City Gate and gas delivered from the City Gate to Customer meters. This factor represents Utility's distribution system losses. These losses shall be allocated by the Loss Factor, or as otherwise set forth in the appropriate Rate Schedule. The Loss Factor is calculated as a 12-month rolling average.

Purchase of Gas -- P: Total volume of gas received at the City Gate for sale or transportation to Utility's customers.

Sales of Gas -- S: Total volume of gas sold or delivered to Utility's customers.

True-Up Factor -- T: The differences between amounts paid by Utility for purchased gas and costs recovered from Customers shall be accumulated in an Over/Under Recovery Account. A True-Up Factor necessary to balance this account will be calculated and periodically applied in billings. The True-Up Factor will either be an additional charge to firm customers (Schedules 10, 20, and 30) to make up for under collections, or a credit to firm customers to return funds for over collections. The True-Up Factor will be applied cautiously to avoid significant billing fluctuations.

The PGA and its above-described components shall be updated monthly and applied to Customer billings in accordance with established Utilities Department procedures.

### **Therm Factor Rider**

**APPLICABILITY:** For customers billed on any Rate Schedule in which reference to the Therm Factor Rider is made.

**THERM FACTOR:** Consumption measured on meters registering in cubic feet or any denomination thereof shall be subject to conversion to therms for billing purposes to account for both volume and energy or heat content of the natural gas. The monthly therm factor used by Utility shall be calculated in accordance with established Utility procedures using information provided by Transco.

### **Special Cost Recovery Rider**

**APPLICABILITY:** For customers billed on any Rate Schedule in which reference to the Special Cost Recovery Rider is made to pay for Utility expenditures authorized by the Danville City Council, including but not limited to capital improvements and the Gas Utility's budgeted contribution to the City's General Fund.

SPECIAL COST RECOVERY RATE:     \$0.0500 per therm



### **Local Tax Adjustment Rider**

When the City of Danville is or becomes liable to any political jurisdiction for any gross receipts tax, franchise tax, excise tax, privilege tax, use tax, or any other like charges against its real and/or personal property, or its operation, or its distribution of natural gas, or the amount of gas sold to or its revenues received from the sales of gas to the City's Customers within that jurisdiction, the amount of such tax, fee or charge shall be added, pro rata, to the bills of said Customers for gas service rendered within said jurisdiction. This process will thereby prevent Customers not taking service in said jurisdiction from being compelled to share such local taxes. Such tax adjustments shall be shown on the bills of Customers affected as "Tax Adjustment."

When a tax is levied on the Customer's consumption of natural gas by any governmental authority or political subdivision, it may be collected by the City and transferred to the appropriate body. This local excise tax shall be shown on the bills of Customers affected as "Consumer Tax."